G. R. S. App. F. IX-4]

Previous References.

1941

(R8.)

File No. 15-41

Serial Nos. 10, 16, 18, 22

Later References.

PRESERVED

GENERAL AND REVENUE SECRETARIAT

Serial Nos. 4

R 19 E

Part B for Aug 42

SUBJECT.

Amendment of bye-law 65(6) of the Mysore Central Cooperative Land Mortgage Bank Ltd, re: the functions and powers of the Treasurer of the Bank

Serial No. 10

Letter No 10223/Cs. dated the 28th July 1942 from the Registrar of Cooperative Societies Nuwara Eliya forwarding for approval an amendment to the bylaw of the Nuwara Eliya Central Co-op. L.M. Bank Ltd re the functions and powers of the Treasurer of the Bank

The present bylaw and the proposed bylaw are shown in juxta positions in the enclosure to the P.U.D.

1) According to bylaw No 63, the President, the Hony Treasurer where one such is appointed, the Secretary, and the valuator are the office bearers of the Bank.

3) According to the existing bylaw No 65(b) the Treasurer is the custodian of the Cash and properties of the Bank and is the authority to make the disbursements. He shall sign the Cash book and produce the cash balance whenever called upon to do so. But the amended bylaw says that the Treasurer shall be the custodian of the properties of the Bank and shall make disbursements but the Secretary is to sign the Cash book in token of its correctness and the cash balance at the close of the day shall be taken charge of by the person appointed by the President for the purpose (it may be a person other than either the Secretary or

NOTE—Contn. Sheet.

Serial No.

the Treasurer). So that while the Hony Treasurer is to hold the properties and disburse, the Secretary is to sign the Cash Book and the cash balances is to be held by a third person. This looks rather anamolous on the face of it. as the functions of one Treasurer has to be performed by three persons are practically independent of the other. The Registrar while forwarding the byelaws for approval of Govt says that as it is impossible for the Hony Treasurer to do so the Secretary is signing the Cash book and that the amendment now made is to regularise this practice

4) It seems rather strange how an institution like the Central Land Mortgage Bank dealing with lakhs of rupees in the case of assisting the indebted agriculturist, and being made to obtain the procedure adopted in business methods and accountancy and audit every month in their transactions and how the Department the essential function of which is to supervise and control the audit, inspection and working of these Cooperative societies, Could so easily afford to ignore the very principles of the business methods and accounting and audit. and the auditor the work of one person to three, one not knowing what the other does.

If the Hony Treasurer is incapable of performing the

Serial No.

normal duties of the Treasurer. It would be better if the ~~post~~ office itself is either abolished or not filled up and if a responsible official of the Bank is appointed as Cashier or Treasurer instead of the Army Treasurer. Even the argument of the Resident to regularise the existing practice - which is an error in the absolute - cannot perhaps be considered as sound.

5) It is therefore for consideration and even whether the Resident may be replied to that the existing practice of the treasury signing the Cash book contrary to the provisions of the bylaw is itself an error in the absolute and that to amend the bylaw as proposed diminishes the functions of the Treasurer among other persons against all essential principles of Business method, audit and accounts at the very root of these principles and as such cannot be accepted by ~~him~~, and whether the may also be ~~him~~ to intimate the Bank that, in case the Army Treasurer is unable to perform the duties assigned to him he place on the Board need not at all be filled up even by suitably amending the bylaws if necessary, and appointing a senior responsible official of the Bank as Treasurer in his place. It is rather strange that even the statutory auditors who audits the accounts of the Bank and who attests their signature to the

NOTE—Contn. Sheet.

E

3190/AF

File No. 15 of 194 /.	General and Revenue Secretariat.

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Statement of accountant of the Bank should have ignored to verify this particular asset of the Treasurer not trying the Cash book

Submitted for orders

62 14/3/42 MV.

6) Who is the Honorary Treasurer

B3 20/3

7) The name of the Honorary Treasurer is not given in the annual reports of the Bank. Of enquiring the name of the Hony. Treasurer of the Bank is left for appl

Why not ascertain by phone — B

B8 20/3/42 MV.

8) It is ascertained from the Bank that Mr. P. V. Subramanian a Director of the Bank has been appointed as Treasurer. It would however seem desirable to ascertain the names of Treasurers of the Bank in the previous years. Of previously had up is military | not very necessary

reports and resubmitted for appl

B9 27/3/42 MV.

9) In the amended form of the Bye laws, it is proposed that the Cash balance at the close of the day shall be taken charge of by the person appointed by the President for the purpose. Who exactly will be appointed is not clear and the implication of this suggestion also is not clear. Whether it is intended to relieve

Serial No.

the Secretary and he dreamed from responsibility towards Cash & if so to what extent is not understood. If approved, an enquiry will be made as to why the Secretary himself should not be in charge of the Cash while he is away, Whereas someone else, should be in charge of cash during the absence of the Secretary from Hdqrs.

to be authorised

Genl Secy)

28.3.42

28/3

28/3

(1)
Off Lubs for abbt
30/3/42 30/3

12/ Done

1/4

16 Dt 5830 9.7.42 2 to Regr of CS
Make certain enquiries

17 Letter No 13779 dated the 3rd June 1942 from the Registrar of CS. forwarding copies of letter from the Provincial Secretary L.N. Bank and stating that the amended bylaws of an Association similar bylaws of the Mason Society L.N. Bank

GENERAL SECRETARY. 28 MAR 1942 5769

9/6/42 ST BRANCH

NOTE—Contn. Sheet.

WD 04155—GPB—55,000—23-10-41

5

·File No. of 194 . | General and Revenue Secretariat·

Serial No.

(13) The President of the Central L.M. Bank says that the intention of the amendment is that the Secretary should be in charge of the cash after the close of the day and should sign the Cash book while he is at headquarters, some one else being authorised to be in charge of the Cash during the absence of the Secretary. He also says that the byelaw of the Nawa L.M. Bank is similar to the proposed amendment.

(14) If the Secretary is to be in charge of the Cash while at Headquarters and some one else during his absence, there would be no meaning in the amendment that the Army Treasurer shall have custody of all the properties of the Bank and shall make disbursements in accordance with the directions of the Board. The Secretary who will, according to the statement of the President, be in charge of the Cash and will make disbursements and sign the Cash book in token of its correctness could as well be in charge of the all the other properties of the Bank which may include some securities and other properties. and there is absolutely no necessity for the post of an Honorary Treasurer which will after all be time-consuming and, ~~and~~ either power or responsibility. Merely because a byelaw exists in Nawa it need not preclude

3190 J 4517

General and Revenue Secretariat | File No. 15 of 1941. | [App. F. III-2

Serial No.

be copied in Lupon. Before taking up the amendment of this bye-law into consideration it would perhaps be desirable to know the powers and functions of the Hony Treasurers of our own societies and banks, like, the Bangalore Central Cooperative Bank Ltd, the Bangalore City Cooperative Bank, Ltd. The Lupon City Cooperative Bank Ltd which town and Taluk Unions have volume of business as the Central L.M. Banks and the actual practice that is existing in this respect in those institutions. Instructions in order the particulars regd to may be called for and laid before consideration

by MW, 15/6/41 17/6 The intention of ~~According to~~ the Bye-law as proposed to be amended, is that the Secretary is to be in charge of the Cash but it is also provided therein that the Hony Treasurer shall have custody of all property of the Bank and shall make disbursements in accordance with the directions of the Board. The term "All property" may include cash also which is also indicated by the provision "shall make disbursements etc". Thus the duties of the Secretary & Treasurer seem to overlap and are not demarcated clearly

NOTE—Cont. Sheet.

WD/04155—GPB—55,000—23-10-41

J 4587

File No. of 194 .

General and Revenue Secretariat

Serial No.

(6) If approved, the Registrar will be requested to send a copy of the Bye law no 44 of the Central Land mortgage Bank Madras.

Genl Secy) 23/6/42

GENERAL SECRETARY. 23 JUN 1942 7797

Ec.O 228 A17 dated 30.6.42

(7) Forwarded with Copies of the Reports of Cooperative Societies in Mysore for Davan & remarks on the points raised in the notes. If it is the idea that the Secy. should be in charge of the cash at the close of each day, if he is in headquarters, this should have been definitely specified in the amendment, so as to be free from all doubt & not give scope for any evasion. If the Secy is to be in charge of the cash at the close of each day & the Hony Treasurer is to make the disbursements, is it the idea that the Secy. should make over the cash or the amount necessary for disbursements each day to the Hony Treasurer. If the Hony Treasurer not to be in charge of cash & up so, is it excluded from the term 'properties' in the amendment.

By order.

H.C.

Office of the Registrar of Co-operative Societies 30 JUN 1942 No. 7

Forwarded 29/6 29/6

9

Serial No.

5-15 Close one file
17-7-42

Returned with compliments.

(4) Under the existing byelaw, the Honorary-Treasurer is expected to take charge of all moneys received by the Bank from the members and others and to make disbursements. He is also expected to sign the cash book in token of its correctness and to produce the cash balance whenever called upon to do so. These duties are more in the nature of the duties of a cashier of the Bank and cannot be expected to be performed by an Honorary Treasurer. Further, it cannot be expected of the Hon. Treasurer to go to the Bank every day and sign the cash Book. That is why the amendment was placed before the general body and it was passed.

(5) At present the Honorary Treasurer is the person authorised by the Board to operate upon the current deposit accounts of the Bank in other institutions like the Apex Bank, Government Savings Bank, Bank of Mysore, etc. and all disbursements are made by means of cheques drawn by him on the Bank's accounts in the institutions referred to above. Thus, he is practically in charge of all the properties of the Bank except the actual cash Balance on hand in the Bank, which will be in charge of the Secretary while in headquarters or some one else appointed by the President, when the Secretary is on tour or absent on casual leave, etc. The question as to whether the cash balance at the close of the day should

NOTE—Cont. Sheet.

WD 04155—GPB—55,000—23-10-41

4517

CS File No. 15 of 1941. | General and Revenue Secretariat

Serial No.

be made over to the Treasurer or remitted to the deposit accounts of the Bank in other institutions is a matter of detail to be settled by the Board by means of subsidiary rules. Such rules may provide that up to a certain limit, the Secretary or the cashier may be in charge of the cash balance on hand in the Bank, all amounts in excess of the said limit being credited to the Bank's accounts in other institutions. If Government consider that the amended byelaw should be more explicit and self-contained, the Bank will have to be intimated accordingly and instructed to place a suitable amendment before the general body at their next meeting.

Registrar
of Co-operative Societies.

TYPI 1 JAN 1942 GEN

GEN. & ... UTT. FOREST BRANCH.

GENERAL SECRETARY. 17 JULY 1942

w) Dft. letter to the Registrar stating that the byelaw and amended cannot be approved as it is not clear and that the Bank may be instructed to get a suitable amendment passed by the General body clearly setting forth the functions of the Treasurer, & then be asked to apply for consideration

22/7/42

(Genl Secy) 25/7

with application reply in time.

(Hon Minister) 26/7

8-8-42

OFFICE OF THE MINISTER FOR EDUCATION Date 6-8-42 No. 625

GENERAL SECRETARY. 25 JULY 1942 613

Please keep close with papers reference

Letter copy put up 27/7/42

818

4517/27

11

Serial No.	
22	A 1089 — G.14-8-42 — 2 to Regr of C.S.
	States that the L.T. Bank may be instructed to effect
	a suitable amendment passed in the matter

h B
27/8/42

WD 04155—GPB—55,000—23-10-41

3190

GOVERNMENT OF MYSORE.

No. 10223 C. S.
Encl one

DEPARTMENT OF CO-OPERATION

Telegraphic Address
"CO-OPERT"
Bangalore.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE,

Dated Bangalore, 28th February 1942.

C.S. 15-4-10

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

J. Appaji Gowda, Esq., B.A.(Hons.),
General Secretary to Government,
Bangalore.

GENERAL SECRETARY. 3-MAR. 1942

GEN. & REV. SEC. 1942 & FOREST BRANCH

Sir,

I have the honour to forward herewith a statement showing byelaw No.55(b) of the byelaws of the Mysore Central Co-operative Land Mortgage Bank, Ltd., Bangalore City, as it stands at present and as it stands after the amendment to it passed by the general body of the Bank at their general meeting held on 26-10-1941 and to state as follows:

The byelaw as it stands necessitates that all the moneys received by the Bank have to be taken charge of by the Treasurer and he has also to sign the cash book. As it is not possible for the Hon.Treasurer to do so, the Secretary of the Bank is attending to this work. The amendment now passed is to regularise the existing practice.

In the circumstances, I recommend that the amendment to the byelaw may be registered under Section 11 of the Mysore Co-operative Societies Act read with Section 53 of the same Act.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar

Statement showing byelaw No.45 (b) of the byelaws of the Mysore Central Co-operative Land Mortgage Bank, Ltd., Bangalore City as it stands at present and as it stands after the amendment to it passed by the general body of the Bank at their general meeting held on 26-10-1941.

As it Stands at present---	As it Stands after the amendment
Byelaw No.65 (b) The Honorary Treasurer shall have custody of all properties of the Bank and shall take charge of all moneys received by the Bank from the members and from others and shall make disbursements in accordance with the directions of the Board. He shall sign the cash book in token of its correctness and produce the cash balance whenever called upon to do so by the Board of Auditor.	The Honorary Treasurer shall have custody of all properties of the Bank and shall make disbursements in accordance with the directions of the Board. The Secretary shall sign the cash book in token of its correctness. The cash balance at the close of the day shall be taken charge of by the person appointed by the President for the purpose.

"C O P Y"

jsp.27/2.

For Registrar

Appendix F G—1]

14

SUBJECT.....

.....

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Section 65.

File No. 15-41

Serial No. 16

Diary No. of letter replied to.....

No. AH 5500

To

The Registrar G.C.S.

General and Revenue Secretariat

( )

the *19* .

Sir

Date of issue 7-4-42

With reference to your letter No 10223/Ca dated the 28th July 1942 re the amendment of the Bylaw No 65(6) ~~of the bylaws~~ of the Mysore Central Co-op. Bank Ltd. I am directed ~~to request you~~ to state that it is not clear as to who would be about to take charge of the cash at the close of the day and the implication of this injunction is also not clear. Whether it is intended to relieve the Secretary and the Treasurer from their responsibility towards Cash and if so to what extent is not

Signed by DMR JR

List of enclosures.....

Copied by 7/4/42

Examined by.....

understood. I am therefore to examine as to why the Lieutenant Secretary should not be in charge of the cash while he is at Headquarters some one else being authorised to be in charge of the cash during the absence of the Secretary

I have etc—

J W Gurney

No. 13779 C. S.

Income

4547
A Fr

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

Telegraphic Address
"CO-OPERT"
Bangalore.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE,

Dated Bangalore, 3rd June *1942.*

C.S. 15-41-18

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

J.Appaji Gowda,Esq.,B.A.,(Hons),
General Secretary to the Government
of Mysore, Bangalore.

Sir,

With reference to your letter No.A.F.5530/C.S.15-41-16 dated 7th April 1942 regarding the amendment of the Byelaw No.65 (b) of the Mysore Central Co-operative Land Mortgage Bank,Ltd., enquiring as to why the Secretary himself should not be in charge of the cash while he is at Head-quarters, some one else being authorised to be in charge of the cash during the absence of the Secretary, I have the honour to forward, herewith, a copy of letter No.S.I.894 dated 27th May 1942 received from the said Mysore Central Co-operative Land Mortgage Bank explaining the circumstances under which the byelaw was amended at the meeting of the Bank held on 26th October 1941. As the amended byelaw is on a par with the similar byelaw of the Madras Central Co-operative Land Mortgage Bank, I think it may be approved.

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

17

Letter No.S.I.894 dated 27th May 1942 from the Secretary, the Mysore Central Co-operative Land Mortgage Bank,Ltd.,Bangalore to the Registrar of Co-operative Societies in Mysore,Bangalore.

Adverting to your Memorandum No.13342/C.S.dated 21-5-1942 forwarding a copy of letter No.A.F.5530/C.S.15-41-16 dated 7-4-42 from the Secretary to the Government of Mysore,General Department, in the matter of the amendment to byelaw No.65(b) of the Bank and requesting the opinion of the Bank on the points raised therein, I am directed to state that the intention of the amendment is that the Secretary should be in charge of the cash at the close of the day since he will have to sign the cash book in token of its correctness. The power to appoint the person to be in charge of the cash is vested with the President according to the amendment proposed and as soon as the amendment is approved, a memo will be passed making the Secretary responsible for the cash while he is at Headquarters, some one else being authorised to be in charge of the cash during the absence of the Secretary. Byelaw No.44 of the Madras Co-operative Central Land Mortgage Bank is similar to the amendment now proposed in respect of vesting the power of appointing the person to be in charge of the cash balance with the President of the Bank. In view of the circumstances explained above, I am directed to request you to kindly obtain the Government's approval to the proposed amendment.

****

" Copy "

for Registrar.

Appendix F G—1]

SUBJECT.....

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Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *19*

Date of issue 14/8/42

Signed by .....

List of enclosures.....

Copied by .....

Examined by .....

Section B.S.

File No. 15-41

Serial No. ~~22~~ 22

No. A 71089

To The Registrar C.S.

Sir

With reference to your letter No 13779/Cl. dated the 3rd June 1942 in the matter of the amendment of the bye-laws of the ~~Bank~~ Myon Central Co-operative Land Mortgage Bank ~~Ltd~~ about the functions of the Hony Treasurer and Secretary, I am directed to state that the bye-laws as proposed by the Bank and forwarded by you does not seem suitable as the duties of the two functionaries in respect of cash are not clearly defined and to request you to instruct the Bank to get a suitable

19

amendment passed by the general body clearly defining the functions of both the office bearers so that there may be no doubt & no chance for evasion.

I have etc

Jr Secretary

(b as approved by the General Secretary)